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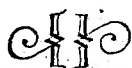
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Immigration and Its Economic Background

BY

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PREFACE

The historical record of human migration is an interesting and informative study. The exodus of peoples, driven by land-hunger or economic stress, from one country, and their occupation — frequently by conquest — of another, has gone on steadily since the world began. This process of the redistribution of population has clearly been the safety valve of society. The artificial obstruction of this natural drift of population has also been a frequent cause of wars.

The general theory prevails, that no country, sparsely occupied and rich in natural resources, has the moral right to exclude surplus population from elsewhere. In fact, that it cannot successfully do so in the long run, if the events of past history are to be regarded as a criterion. In other words, extensive, undeveloped land resources cannot indefinitely be "hoarded" in obedience to narrow, nationalistic policies, but are to be regarded as merely held in trust for the beneficial uses of mankind. That general principle may not be in accordance with the modern conception of the subject, but is, nevertheless, in line with ethics and the historical verdict.

This point of view must be conceded to be just and proper in principle. It is, however, also conceded that the nation which has "staked out" any unoccupied territory and has made itself responsible for its present and future administration, may with perfect propriety establish the rules and regulations under which it is to be colonized. It may even exclude certain races which cannot easily be assimilated in its civilization. It is its duty to closely scrutinize those who seek admission. But a consistent "closed door" policy is obviously unethical and may be extremely perilous. This is not mere theory. It is history.

THE RACIAL ELEMENT.

There is a growing danger in Canada of placing undue emphasis on what we are pleased to term "quality" in an immigrant.

That word requires intelligent definition. We must, of course, rigidly exclude the criminal and those physically, mentally and morally deficient. Every nation breeds enough, and to spare, of those classes itself. We cannot, however, develop this country with intellectuals. Pioneering is a rough, back-breaking and often heart-breaking job. It involves a high degree of dogged perseverance and self-sacrifice, and a standard of living utterly unacceptable to the great majority of those born and bred under the sheltering wings of the modern, progressive state. *"Quality" in an immigrant, otherwise reasonably desirable as a citizen, is his ability to stand up under the terrific stress and strain of the isolated homestead.* We should not unduly emphasize the racial element. Canada has never faced any serious problem in assimilation and, presumably, never will. The Great War provided the crucial test.

Sceptics might conceivably find consolation in Hegel's immortal classic, *"The Philosophy of History."* There he says:

" . . . and only through such distinctness of character, and such a subjugation of it, was the beautiful free Greek Spirit produced. Of this principle we must have a clear conception. It is a superficial and absurd idea that such a beautiful and truly free life *can be produced by a process so incomplex as the development of a race keeping within the limits of blood-relationship and friendship . . .* The only real antithesis that Spirit can have, is itself spiritual: viz., its inherent heterogeneity, through which alone it acquires the power of realizing itself as Spirit. The history of Greece exhibits at its commencement this interchange and mixture of partly homesprung, partly quite foreign stocks; and it was Attica itself — whose people was destined to attain the acme of Hellenic Bloom — that was the asylum of the most various stocks and families. *Every world-historical people, except the Asiatic kingdoms — which stands detached from the grand historical catena — has been formed in this way.* Thus the Greeks, like the Romans, developed themselves from a *colluvies* — a conflux of the most various nations. Of the multitude of tribes which we meet in Greece, we cannot say which was the original Greek people, and which immigrated from foreign lands and distant parts of the globe . . . "

Hegel wrote these pregnant words a century ago. The spectacular rise since then of civilization and culture in North American nations, absolutely unprecedented and

unique in world history, and based conspicuously on the free intermingling of races, is a modern, living vindication of the lesson of history as interpreted by this great philosopher. *Insularity contains the seed of decay.*

OUR ABORTIVE COLONIZATION RECORD.

The obsession which now fills the minds of most of our urban population, that it is an inestimable privilege to permit an immigrant to come to our shores and homestead or purchase a piece of land, will unquestionably be largely removed within the near future, when the realization will dawn upon us, that our most urgent invitations to do so will be largely and progressively unheeded.

We will learn to our dismay, that the wholesale subdivision of landed estates in Europe is giving him better social and economic opportunities, and much superior markets, there than we can offer him in the uncertain field of highly competitive export production. Moreover, in the food importing countries — in the past the most fruitful sources of immigration — high tariffs have brought prosperity to agriculture. With the pressure of density of population relieved through the rapidly falling birth rate in Western Europe, it will assuredly be increasingly difficult to tempt homeseekers to go far afield.

When the history of the past half century comes to be written, it will reveal a colossal failure in developing our vast country. Appalling apathy, lack of intelligent and continuous policy, frequently verging upon active obstruction, has, with one or two bright intervals, characterized the administration. All this has been due to a profound ignorance of the economics of population and the fundamental causes of urban unemployment, a phenomenon which has for years — and generally unjustifiably — dominated our immigration policy.

No public issue has been the victim of more tiresome platitudes than that of immigration on platform and in press. The bald truth is, that there is no intelligent public opinion in Canada on the question, and economic groups are consequently

hopelessly divided on the issue. *The super-task confronting Canada at this moment would appear to be to convince her own citizens of the wisdom of regarding the population question as the corner stone of all public policies, which, indeed, it is.*

The following pages have been written in the hope of clarifying the subject and removing some of the existing prejudices and economic misconceptions surrounding the immigration issue. The foregoing observations are merely intended to bring home to the reader what many years' experience teaches me would be the sane and wholesome mental attitude of the Canadian people towards the immigrant — the stranger within our gates, no matter from whence he comes. It is this: *Canada can never begin to confer on the decent, hard-working, successful colonist as great a material reward as he has conferred upon Canada.*

CANADA'S POPULATION PROBLEM

The seven years following 1908, when over two millions of new population entered Canada, was unquestionably the most uniformly prosperous in her history. Unlike the war and post-war "booms," the prosperity of that period rested on a sound, national development. The flow of immigration into Canada has now been reduced to a mere trickle. The number of new arrivals in 1935 — about twelve thousand — was the record low for over half a century.

And our rate of natural increase in Canada is rapidly diminishing, partly as a result of the long drawn out business depression and partly in sympathy with the same trend visible amongst the white races all over the world. Our marriage rate has declined 20 per cent during the past fourteen years and the birth rate has declined 36 per cent over approximately the same period. If this continues, and there is every evidence that it may, it has been forecasted that within ten years the Anglo-saxon strains will no longer predominate in Canada, but must yield place to the more fruitful French Canadian and European race groups.

As history goes, it was only yesterday that France traded "bleak and inhospitable" Canada to Great Britain for the insignificant island of Guadeloupe. That was the measure of value attached to half of a great continent in its undeveloped state. Prior to the acquisition of Rupert's Land, a century later, the people of Eastern Canada and Great Britain were almost equally sceptical in respect to the agricultural possibilities of our prairie section. *Half a century of colonization subsequently transformed this extensive farming area into the mainstay of the great business institutions of the East.* All of which demonstrates the utter futility of sober, human judgment in estimating the potential development of virgin countries.

THE RECENT "LEAN" YEARS.

At this time, with a record of six successive "lean" years behind us in the West and a growing scepticism in the

minds of many, as to the ultimate destiny of the prairie country, it is well to realize how often opinion has been glaringly wrong in forecasting the future. Half a century of residence in the West, coupled with a somewhat intimate knowledge of, and active connection with, agriculture in each of the three prairie provinces, now enables me to take the philosophical and the sanguine view of the future. The present period of drouth is merely a repetition of those approximately covering the years 1891 to 1896 and 1917 to 1922, which were in both cases promptly followed by seasons of ample, sometimes excessive, rainfall. These "cycles" come and go and cannot as yet be foretold. Isolated dry years frequently occur in the middle of a "wet" period and *vice versa* and precipitation is seldom uniform over the whole vast area, either in wet or dry periods. In fact, the climate is highly erratic and single-season farming always highly hazardous. The farmer must "dig in" and spread his risk over a period of years. So must business dealing with the farm.

Years ago a prominent journalist remarked that "anything that doesn't kill us is good for us." This statement implies an eternal truth. Adversity is one of the most effective teachers because it makes us think and struggle: and that makes us strong. The adversity through which western agriculture is passing is stimulating more thought and enforcing more effort than ever would result from a period of easy prosperity. Farmers who thought and struggled their way out of the great depressions of the '90's and the early '20's constitute a large part of the present well-to-do class. At any rate, the long period of adversity through which the West is now, we hope, emerging stronger than ever is merely a passing phase.

OVERCOMING THE "DEAD POINT."

New countries normally gravitate "between the devil and the deep sea" until they successfully overcome the "dead point" in the evolution of progress, through reaching a population and general development approximately sufficient to absorb the abnormal overhead inseparable from the earlier stages of pioneering con-

ditions. Canada just now is drifting about in the doldrums of this difficult period, laboriously carrying the burden; public, private, and corporate, of every sort of modern facility, to accommodate a population several millions greater than what it is to-day.

There has always been a deplorable tendency on the part of Canada to follow blindly in the administrative footsteps of the United States. This was never more apparent than when she adopted exclusion regulations following the imposition of the quota law south of the line. Her statesmen apparently never stopped to consider that the United States carefully refrained from any such measures until her population exceeded a round hundred millions and she was almost on the verge of importation of food stuffs.

To call a halt on further-immigration at that time was, however, a decision which is quite rational on the face of it. The population is now large enough to develop that country at a reasonable pace, to provide an enormous, but still somewhat insufficient, domestic market for its agriculture and urban industries, to utilize its services and utilities to fair capacity and to make the normal burden of the cost of government bearable. No urgent reason exists at the moment for any extraordinary efforts to further increase the population of the United States by artificial means.

However widely the people of Canada may differ in their opinion as to the merits of the civilization that has developed in the great country south of the line, during the past century, they cannot possibly escape the conclusion that the United States stands to-day as a powerful, prosperous nation, whose citizens normally enjoy a standard of living far above that of any other, except perhaps Canada. In the eyes of almost the entire world that country easily represents the modern El Dorado.

All this has been accomplished largely through the "open door" policy. If Canada could attain the same degree of material success within a similar period, she would apparently have reason to be amply satisfied with herself. That, under the handicap of a severe climate, she can ac-

comply this through immigration policies proceeding in the opposite direction to those that made the United States great is, however, open to serious doubt.

THE CANADIAN POLICY.

The case of Canada is, of course, diametrically different. Here is a country of enormous extent, highly expensively serviced, with a mere handful of people and a great wealth of natural resources. What Canada demonstrably needs in the worst way, and at the earliest possible moment, is additional people of the right sort to develop her natural wealth and, through their productive labour, to assume their part of the burden of carrying and repaying our fantastic public debt, now exceeding seven billions of dollars and representing a mortgage amounting to \$3,500 upon the assets of every present householder in Canada.

Above everything, a greater population is urgently needed to solve the otherwise insoluble railway situation. Relying entirely on the continued influx of people to develop the West, Canada some years ago embarked on an utterly insane railway expansion programme. Two additional transcontinental lines were constructed, which, to avoid bankruptcy had eventually to be taken over by the public. The annual losses on this venture are of so colossal a character, that they constitute an intolerable burden on the taxpayer and an effective obstacle to a balanced Federal budget. Even taking for granted remedies that specialized opinion knows to be necessary to meet a situation so destructive as to seriously endanger the economic life of the country, it will still be necessary to look to a largely increased population to effect a solution of the enormous difficulties resulting from our present superfluous railway facilities.

A distinguished British economist visited Canada recently. In an interview, he said:

"One of Canada's greatest national problems is simply that of too much government. You have almost enough governmental machinery to operate the British Empire. And the cost of maintaining this expensive legislative mechanism is borne by a population equivalent to that of Greater London."

We have groaned under this ridiculous handicap for upwards of seventy years. No political party has ever moved an inch towards rationalizing this appalling situation. So we must apparently take it for granted, that the only solution in sight is to adjust our population to our government machine, seeing that our statesmen find it inexpedient to adjust our overhead cost of administration to the needs of the existing population.

We require, in fact, more people—many more people — to support our top-heavy utilities and generally to arrest the present decline of our land and other capital values. If Canada were to depend on the natural increase alone, *it would take upwards of a couple of centuries to fully occupy the country. Such a policy would be calamitous.*

THE EFFECTIVE POINT IN POPULATION.

The whole of the United States has an arable area of 345 million acres. The three western provinces of Canada alone contain an arable area of 175 million acres, 37 million of which only are now under cultivation. There is evidently room, without crowding, for a population of, at least 50 million people in Canada. But the present objective should not be to fill up the country to its ultimate capacity or anywhere near it. Canada should, on the other hand, merely strive to reach an effective, minimum population. Where is that point?

There is a mile of railway for every 240 inhabitants. The United States, notoriously over-supplied with railway facilities has one for every 400 only. This would indicate railway efficiency when Canada reaches a population approximately twice as great as she now has. Her present decidedly top-heavy higher educational plant could readily accommodate the legitimate requirements of a much larger population without any considerably increased cost. Her elaborate and absurdly expensive Federal, Provincial and Municipal machines could be — and should be — made to serve such a population. As a rough and ready guess, it may perhaps be estimated that Canada must approximately

double her population to function efficiently and economically.

THE "LEAK" OF POPULATION.

There is another reason why Canada should give most serious consideration to her population problem. After the 1921 census I took the trouble to examine with some care what the actual situation was after half a century of, more or less, spasmodic effort to attract population. I took the census figures of 1870 as a base, added the influx of people by ten-year periods and calculated the rate of natural increase of both up to 1921. I found, that granting Canada had succeeded in holding her people, the population by that time should have exceeded 15 millions, when, in fact, it was less than 9 millions, showing a potential loss of 6 millions.

The enormous exodus of population to the United States during that period was, of course, chiefly responsible for this disastrous showing. It was estimated that during the year 1923 no less than 400,000 Canadians emigrated to the United States. This only emphasizes the fact, that a country with a somewhat severe, northern climate faces this problem in an intensified form. People who have acquired a competence are very apt to seek a milder climate for the enjoyment of their otium, which generally results in the removal of entire families. While the United States' immigration restrictions now would probably prevent the wholesale exodus of Canadians of former years, this highly disturbing factor is one which must always be reckoned with. Assuredly, Canada can never afford to take the complaisant attitude in respect to her population problem.

In modern times, the movement of people has been to new continents in quest of cheap land and improved opportunities to make homes. During the century following 1820, the United States absorbed thirty million people from Europe. They were welcomed with open arms and made their valuable contribution towards developing that great country. Up to the beginning of the present century, there was keen competition amongst Canada, the United States, Australia, New Zea-

land, South Africa and Argentina for the itinerant population of all European countries. The "melting pot" problem had not become an issue. Since that time the situation has undergone radical changes. A

The first effect of immigration restrictions in new countries was the development of migratory movements within Europe. In 1929 France and Belgium received 168,000 immigrants and in 1930, 203,000. *These two so-called "over-populated" countries thus absorbed more European immigrants in 1930 than Canada and the United States.* This movement has now, however, ceased almost completely.

There is scarcely a nation on the globe to-day, from Abyssinia to Great Britain, which has not passed the most strenuous legislation controlling the influx of people. This is obviously a product of the economic crisis. Many of these countries, such as Italy, Germany and Russia, are, on the other hand, doing their utmost to promote the rapid increase in population of their own citizens, which suggests that the drift towards a pronounced nationalism is also a factor in the situation. Even the newer, obviously under-populated, nations have thought fit to place obstacles in the way of the free movement of people to their shores, and have, of course, long ago ceased all expenditure to promote immigration.

THE DWINDLING SOURCES OF IMMIGRATION.

A glance at European immigration statistics will show that overseas migration has practically come to a full stop. But that is not all. A study of the movements of people during the current crisis by the International Labour Office, has revealed *that migration first diminished and then reversed its direction, so that the number of migrants returning to their countries of origin became larger than the number of immigrants going out to new countries.* This is particularly the case in connection with Great Britain, the Irish Free State, Germany, Italy and Spain. Never in history has such a reversal been so universal or lasted for so long a period. Since 1930 a quarter of a million more people have left the United States than the total immi-

gration. Australia and New Zealand also show a net loss during recent years of 30,000.

The principal reasons for this reverse movement of people, are: first, restrictive regulations; secondly, the absence of social legislation, such as unemployment benefits in many new countries. Europeans hesitate to deprive themselves of public aid in emergencies. Minimum economic security is highly prized. Thirdly, it is obvious that an impressive number of European immigrants in overseas countries have come to the conclusion, that the opportunities in their native country for gaining a livelihood are superior to those overseas. That is a highly significant denouement.

One need not be endowed with prophetic foresight to conclude, that the days of heavy movements of people from Europe to overseas countries, are definitely a thing of the past. The easy flow of people, accelerated by population pressure in Europe, seeking new homes of their own volition, will probably never be repeated. Countries like Canada, when the time comes to speed up population, will find that the task will be enormously more difficult and expensive than it ever was in the past.

Another likely phase of the new situation which is now beginning to confront Europe, namely, a receding population, will assuredly be a resort to severe restrictions against emigration. Even in the halcyon days of the "open door" policy in North America, European governments succeeded in creating formidable obstacles in the way of propaganda and many countries have never relaxed these obstructive and irksome regulations. It is easy to anticipate even complete prohibition of immigration effort in the days to come. It would be entirely in line with national policies of the past. Nothing can be more certain than that Canada cannot now hope to obtain an adequate number of British and American people to solve her colonization and population problems. She will be compelled to look to other countries for assistance in this urgent task.

THE ECONOMICS AND FLUCTUATIONS OF WORLD POPULATION

Ruskin maintained that "*there is no wealth but life.*" A British historian described the evacuation of the population of Ireland by emigration in a few years, to the extent of thirty-five per cent, as a *blessing*. A prominent statesman at the time said, that Ireland's prosperity would increase as its population diminished, until, as Eimar O'Duffy pointedly put it, "*it was entirely uninhabited when its glory would be complete.*" and, facetiously, added that "if getting rid of people enriches a country, Ireland ought to be the wealthiest country in the world!" A century ago Cournot, the French publicist, propounded his riddle of population. He was undecided whether France, as a safety measure, should augment her population at the cost of possible increased economic pressure. He characterized the answer as "God's Secret." There has apparently always been a wide diversity of opinion as to whether population is to be regarded as a national *asset* or as a *liability*.

The economics and drift of population increase intrigue me, and I have assiduously studied the large literature on the subject which has appeared, in five languages, within the past decade. The tremendous world unemployment problem has naturally focussed scientific attention upon the subject, and much new light has been shed on the fundamentals involved. I regret to confess, however, that most of this heavy reading has yielded somewhat meagre profit. Many of the eminent investigators are "long" on the scientific and statistical approach, but apparently "short" on the common sense application of the very useful and interesting data compiled. My reaction to this long course of study can be very briefly stated.

The term "over-populated" can be properly-applied only to a few essentially agricultural Asiatic countries, such as China, India and Java, where teeming millions, coupled with food producing limitations, have reduced the vast majority of the people to the lowest possible standard of

living. The term, on the other hand, has no rational meaning in countries with food surpluses, or in industrialized countries able to barter surplus products to cover food deficits. In the latter category of nations, the illusion of "surplus" population is frequently created, as it is at the moment, by a "cockeyed" interior economy, promoted by groups disrupting the orderly and harmonious economic relationship essential to a normal volume of buying and selling. That important subject I am dealing with at greater length in the following chapter. *It is the key to the immigration question.*

THE OVER-POPULATION THEORY.

In these supposedly enlightened days, it should be altogether superfluous to present any argument as to the vital necessity of populating a new country up to a point of balanced efficiency. But the fear of "over-population" dies hard. Dr. Edwin Cannan, Emeritus Professor of Economics of the University of London, in his presidential address before the Royal Economic Society in 1932, took for the subject "The Demand for Labour." In the opening paragraph, he said:

"If everything were as it should be, 'The Demand for Labour' would be too elementary a subject for me to take in addressing the Fellows of The Royal Economic Society in the forty-second year of its existence. But it is a melancholy fact that the forty-one completed volumes of the Society's Journal have not succeeded in producing any considerable improvement in the mind of the public in connection with this matter. Within the last few years the governments of two great countries have actually congratulated themselves on the fact that the demand for labour had increased along with the increase of population, as if that were something unusual. Eminent statisticians have found great comfort in the declining growth of populations, being apparently under the impression that the smaller the population is, the less likely is it to come up to the amount of employment."

The exchange of services is the theme of Professor Cannan's address. Through it he comes to the cause of unemployment, which he shows cannot be due to a lack of work to be done, but arises because at times the system gets out of balance, interfering with the free flow of the exchanges. He says (*italics his own*):

"The source of employment remains as in the case of isolated individuals — the desire of man to

satisfy his needs. But while the isolated individual satisfies his own needs directly by his own labour, in organized industry each of the associated individuals seeks to satisfy them by the indirect method of satisfying other person's needs, and having his own satisfied by what he gets from them in exchange. *When they fail to agree in the bargaining, unemployment appears."*

Professor Cannan here puts his finger on the fundamental issue underlying our whole industrial and social system, namely, fair exchange of services and products. When that breaks down, as it has, unemployment is the direct result.

IMMIGRATION AND EMPLOYMENT.

Canada has brought some millions of immigrants to her shores during a period of years, and harbours just now, like many other countries, an impressive army of unemployed. It has been seriously argued by otherwise intelligent citizens, that if these people had been excluded, Canada would to-day have no unemployed. To that type of mind, it is simply a crude problem in arithmetic. This point of view is manifestly absurd. It is, on the other hand, quite probable, in fact, almost certain, that if these people had not entered Canada and assisted in developing her natural resources with their labour and capital, the unemployment rate per thousand of population would to-day be even greater than it is.

Anyone prepared to maintain, that Canada, with her round ten million inhabitants, now suffers from *de facto* overpopulation, would necessarily also have to agree, that the situation would be immensely relieved were it possible to reduce the population to eight, or perhaps five, million people. Carrying the argument to its logical conclusion, perfection would apparently be attained if the country were occupied solely by a modern Robinson Crusoe and his faithful man Friday! *Whether Canada to-day had five or twenty-five million people, we may rest completely assured, that the rate of unemployment per thousand of population and the ability to carry this burden, could not possibly be substantially different to what it is, with the benefit of the doubt largely in favour of improved conditions with the greater number.*

It is useful to explore the reasons for the present rapid decline in the birth rate of the white race. The most important of these is, as we shall see, fairly obvious, even to the casual student of population history. I would confidently venture the opinion, that the phenomenal increase in world population was, by far, the most pregnant, far-reaching and fateful event of the history of the past century. This increase was, in fact, one of the great dramatic, historical events, the significance of which is only dimly perceived by the present generation. *The striking fact is, that it took perhaps half a million years to produce a world population of 900 million people. It took less than a century to more than double this number. The opening up of three virgin continents during that period partly absorbed this fantastic flood of humanity.* The latter is now, comparatively speaking, a closed episode.

This abnormal increase was due partly to a conspicuous fall in the death rate. In England it dropped from 22.1 in 1838-42 to 12 in 1927-28. In Denmark from 24.4 in 1808-12 to 11.3 in 1927-28. In Hungary from 35.8 in 1878-82 to 17.4. In 1800 the white race represented only one-sixth of the world's population. In 1925 it was estimated to represent over one-third. Professor Thomson regards this as the outstanding phenomenon of all times in population history. Great Britain increased her population from 18 $\frac{1}{2}$ to 45 $\frac{1}{4}$ millions between 1811 to 1891. Germany from 24.8 to 65 millions between 1816 and 1910. Belgium and Russia more than doubled their inhabitants in that century. The advent of the mechanical age, coupled with cheap transportation and the enormous extension of world trade, rendered possible, for the first time in history, the development of the densely populated industrial nation.

The cultural school of population theorists does not accept the biological or mechanical explanation of population growth. Pearl's interesting experiments with the varying birth rates of fruit flies, are met by Bryson's caustic comment, that

"men are men and not fruit flies." Animals act purely on instinct, men on reason. Human behaviour in respect to size of family is evidently based on environment, economic status, health and a score of other considerations. The biological factor obviously cannot be regarded as a serious element in the birth rate of any country.

The present generation has lived in a atmosphere of spectacular expansion in practically every branch of human activity, promoted by the necessity of placing and providing for an unprecedented increase in population. The growth of cities like London, New York, Berlin and Chicago to the present gargantuan proportions, within a generation or two, has seemed to us all a perfectly normal and natural occurrence. The suggestion that this dilation would not continue, that recently erected skyscrapers might never be profitably occupied, that these cities had passed the limit and would be less populous ten years from now than they are to-day, appears as the ravings of a madman.

A STATIC WORLD POPULATION.

It is human nature always to take the prevailing and past states of affairs for granted, so we have been busy now for many years estimating future population increases based on past performance. It is, however, a fact of the greatest possible significance, that, aside from this extraordinary and unprecedented spurt in reproduction of the past century, *history points to world population, throughout the ages, having been approximately static, or having increased so slowly as to be almost imperceptible, from century to century.* A complete realization of that fact would give food for very serious reflection.

Current statistics clearly show, that in Western Europe, the birth rate has now been so reduced that stabilization, or even recession of population, is fairly in sight. British statisticians have calculated that in Great Britain, Germany, France and the United States, there are now thirteen millions of childless marriages. In Berlin over half of the marriages are now childless. That phenomenon, by the way,

is not due to post-war poverty, because this development began long ago and grew apace during the golden period of prosperity. In the United States sterility in marriage has increased six hundred per cent during the past half century.

The present generation is chiefly interested in what is likely to happen within the next forty or fifty years. With the past rate of increase in world population it would reach five billions in little more than a century. A study of history, however, would lead to the conclusion, that, following the spectacular increase of the past century, *an equally spectacular swing in the opposite direction is clearly indicated for the present century.* Aside from this, available statistics point unmistakably in that direction. The implications of such a drift will be startling.

It is highly significant, that in spite of prevailing distressing economic conditions, aside from Empire colonization plans, no country in Europe has embodied in its political programme, the evacuation of population as part of its recovery plans. There is, on the contrary, a keen appreciation of the potential value to the state of the vital asset, and nations will go to almost any lengths and incur the most fantastic expenditure on relief, to preserve this precious asset intact during periods of economic stress, in the hope of the unemployed population being ultimately absorbed in gainful production. This attitude is perhaps in some cases a manifestation of the war complex. It may possibly also be influenced by a sense of economic loss involved in casting overboard the national investment incidental to the care and education of the citizen. The United States Department of Labour estimates the average cost of raising a child to the age of eighteen in that country as \$7,238 in the \$2,500 a year income family group.

THE INDUSTRIAL STATE.

The whole theory of "over-population" apparently rests on fallacious and shallow thinking. The effective limit of population in any country is only reached, when that country fails to produce sufficient food or fiber and other essential raw ma-

terial to supply its needs, or, is unable, for any reasons whatever, to exchange its own products or services for an adequate supply of the surplus food and raw material of other countries. Theoretically, nothing stands in the way of developing the industrial nation to any feasible degree within this framework. Progress in the field of economical transportation of raw material products, has reduced the problem to one of *world capacity to sustain population*.

Sir Arthur Salter in "Recovery" has the following comment to make on our subject:

"Belgium, for example, is the most thickly populated country in the world. It cannot live on its own resources, if by that we mean that it must grow all its own food and import nothing in return for exports from the outside world and its own colonies. But that is only to say, that international trade is essential to it. Except in so far as there are impediments to external trade, there is no natural and inevitable limit to a particular country's population till the whole of its territory becomes a single crowded urban district. Belgium might, as far as limits of natural necessity are concerned—I am not suggesting, of course, that such an extreme is either likely or desirable—be a continuous great factory agglomeration, a specialized industrial area in a world economy, as Liege or Sheffield is in a particular country. When we speak, therefore, of a surplus population, generally or locally, in a world whose resources are, as they now are, immensely in excess of present needs, *it is only a relative surplus dependent upon defects in our system and removable with the remedying of these defects*. The apparent surplus, of which unemployment, part time or abnormally depressed standards of living, are the alternative expressions, constitutes the specific evil of our age. But it is a functional, not an organic, disease."

It is obvious, that the modern conception of over-population must be entirely different to that of even fifty years ago. It is now clearly recognized, that it is not a case of mere numbers, but of efficient production and an equitable exchange of services. Ages ago a country became over-populated through under-production, no mechanical means being available to increase production. This led to great migration movements. But the old doctrine of over-population has now lost its terrors, by reason of the greater production of wealth in the modern community. "*Poverty in the midst of plenty*," to the desolating extent we tolerate it in rich, sparsely populated North America just now, is a mere economic

absurdity. Extensive industrial development in Canada may easily proceed simultaneously with, or even independent of, rural colonization. It is all a question of balanced economic relations and adequate markets at home or abroad. There is no other limitation to a healthy urban growth.

The difference between the modern and the old economic order is, that nowadays, with cheap transportation, we can bring food to man. Previously man had to go to the food supply. This situation gradually led to increased international trade, exchanging food and fibers for industrial products, and upon this system of exchange our present economic order rests. *Migration is no longer a necessary consequence of population increase. Exchange of goods and services has taken its place.*

LABOUR AND THE IMMIGRATION ISSUE

The wage-earning class, although a minority, has always exercised a controlling influence upon Canadian politics of all shades. The wage-earner sees in the new-comer only a potential competitor for his own job. This myopic view and the general illusion of labour shortage being conducive to a higher wage level, have aroused in Canada a policy of strong labour opposition to immigration. This attitude stands condemned, first, because it is transparently selfish and not based upon general, national interests and, secondly, *because it is totally at variance with sound sense and economic experience.*

Broadly speaking, the case of labour against immigration may be stated under two heads, first, that the presence of a state of abnormal unemployment, now in its fifth, consecutive year, demonstrates, that our population is now so large that it cannot be absorbed in gainful occupation. Secondly, that as mechanization increases, the demand for labour will be still further curtailed.

THE NATIONAL PROBLEM.

At the outset, it is useful to call to mind, that in 1929 Canada's population was fairly completely employed. There has been no substantial addition to it since then. It is, therefore, evident, that *the cause of the existing state of unemployment cannot possibly have the remotest connection with the population factor.* I propose to suggest what *did* cause it. A clear understanding of that and of the economic conditions surrounding a state of abnormal unemployment are *absolutely essential to any intelligent discussion of the immigration issue in Canada.*

The unemployment situation has now become the central, national problem. From modest proportions the curse of unemployment easily spreads. It is cumulative and feeds on itself. *One group losing employment automatically forces another group into the same predicament and so on.* It destroys public morale and hampers

sound government administration: It is, by long odds, the most insidious and dangerous of social problems. The superstition that unemployment is in any way the product of surplus population is manifestly absurd, particularly in countries with export food production like Canada. Otherwise, per capita unemployment in all countries would vary almost automatically with density of population, which we positively know is not the case. *Unemployment per thousand of inhabitants is greater in sparsely settled Canada and the United States than in densely settled Belgium.*

In our "exchange-of-services" economy, one man's normal consumption creates normal employment for others. The individual is the employer of society. Unemployment can, therefore, only be due to one major cause, namely, a serious maladjustment in these exchange values, which necessarily blocks normal consumption. Unemployment is, consequently, a strictly domestic problem, to be solved only by the application of domestic remedies. It has not the remotest connection with population or the immigration issue. Let us get clearly into our minds, that *it is not the man at work who robs others of employments it is the idle labour which prevents employment, because it produces nothing wherewith others may be compensated for useful work.*

It is argued, that the presence of casual unemployment, even in prosperous times, indicates a normal, urban population surplus. Of course, there never was and never will be a period in the history of Canada, or any other country, when available labour is completely employed. The economic life of nations is never static. The processes of weeding out incompetents, temporary technological displacements, reorganization of industries, occasional losses of markets and the whole host of disturbing factors in the labour market, goes on constantly and with them normally the gradual re-absorption of idle labour elsewhere. A varying percentage of wage earners is, and always must be, unemployed even in periods of extraordinary business activity. That situation reveals no

defect whatever in our economic system and does not imply a "surplus labour army" for the convenience of industry. It is merely the by-product of a dynamic society striving for the highest degree of operating efficiency.

INFLATION OR DEFLATION OF PRICES.

The concensus of competent opinion the world over is, that *the price level must rise* in order to break the depression, restore normal employment and liquidate debts. That view is perhaps ninety per cent unassailable. *It fails, however, to realize that nations fall into two, widely different economic camps.* It has ignored the problems of the great, agricultural overseas export countries, on the one hand, utterly unable to influence the world prices of their major production and, on the other, ground under the heel of an inflexible, urban system, hell-bent on maintaining the world's highest wage and price levels — always characteristic of new countries — and *this in the face of deflated food prices.*

Obviously, the remedies applicable in food import countries, where agricultural interests can be — and have been — amply protected by tariffs and quotas — in most cases so lavishly, *that labour is being cruelly exploited in the interest of agriculture* — would be utterly destructive in food export countries, which must move towards a *balanced economy based on, and approximately adjusted to, the imponderable factor of ever changing food and fiber prices.* That way lies economic justice.

The objective of easier debt liquidation through higher prices is, unfortunately, entirely unattainable by food export countries. That problem must be solved by individual negotiation, or, conceivably, accelerated by wise and just legislation. Briefly, Canada must "plough the lone furrow" towards recovery and normal employment. The problem lies four-square within our domestic economy. The successful formulæ of other countries may be economic dynamite applied to our conditions.

THE BASIC CAUSE OF UNEMPLOYMENT.

The stereotyped answer of labour to the plea for a large increase in population by

immigration, is to point to the unemployment situation. Why bring in more people and increase the relief burden? It sounds plausible enough, *but it disregards entirely the fundamental cause of unemployment, which can only prevail when the community buys less goods than it normally absorbs.* That is the very simple story, stripped of all economic mystery.

Why does community purchasing at any time contract to the point of creating abnormal unemployment? That question is easily answered. It happens only when the incomes of large occupational groups are, for any reason, seriously reduced *without a corresponding reduction in general prices.* That clearly contracts their purchasing power. Industry and business slow up and unemployment naturally follows. The remedy for such a state of affairs is equally obvious.

There is always a maximum price at which industrial goods can be freely sold, which will vary from time to time in sympathy with the fluctuating general purchasing ability of the community. *As long as that price is not substantially exceeded, there will be uninterrupted demand and production and normal employment at all times.* Labour and capital must apparently always produce and distribute approximately within this maximum price, whatever it may at any time be.

THE CONSUMERS' PRICE DECISION.

That base price is easily and quickly ascertained. If the volume of demand of any properly merchandized, standard industrial product decreases at any time, the price is obviously prohibitive. It must then be lowered until consumption again reaches normal. *That becomes the economic price fixed by the consumer, who ultimately determines all prices.* Capital as well as labour must perforce accept for their services whatever reward this lower price permits. The choice is either to submit, or for men and machines to become idle. In good times capital as well as labour prosper. They may even "profiteer." In bad times they must both "take their medicine" with good grace, as other classes are forced to do.

I do not for a moment suggest, that industry, by the mere act of lowering the labour cost in production, could always meet in full the price at which goods could be consumed in normal volume. There are, of course, rigid, contractual overhead costs to be considered. The economic system obviously cannot be controlled by moving a single lever, particularly after years of depression, which have created many subsidiary problems. *But there is, nevertheless, a habitable middle ground between the full measure of perfection and the existing state of chaos.* To the extent prices could be lowered, sales would be increased and the overhead spread over a larger production, creating a sufficiently increased volume of employment to reduce our problem to manageable proportions. That should be the immediate objective.

The purchasing power of the entire community will necessarily always fluctuate with the varying prosperity of its basic industries. Crop failures, "bonanza" crops and world market prices influence the situation one way or the other. These are merely temporary, and not fundamental causes of unemployment and promptly right themselves with changing conditions. If, however, labour and capital play the game intelligently and fairly — and there is, in the agricultural exporting country, no other feasible way to play it in the long run, and in their own best interest — the commodity price level will easily adjust itself to the prevailing community purchasing power and production and employment presently become normal. *The price of steady employment for industry and labour is reasonable obedience to the consumer's decision.*

WAGES, FOOD AND INDUSTRIAL PRICES.

How has labour played the game during the existing depression? Agricultural prices in Canada in 1913 and in 1935 stood at about the same point. Taking average wages in 1913 at 100, in 1935 they stood at 175.4. They had increased 75.4 points. When we consider that fifty per cent of Canada's population derives its living directly from the farm and that 85% of the retail prices of all commodities and services we buy represent, directly and in-

directly, payment for human services, the preposterous picture is complete. *Abnormal unemployment, under such conditions, becomes natural and inevitable.* It is perhaps only fair to mention that the situation in the United States is even more disastrous. Taking the pre-war period at 100, agricultural prices there stand at 103, with wages at 201! Small wonder that North America breaks the record for unemployment.

The following table, compiled by the "*Canadian Countryman*," from official sources, shows the price drift of farm products, industrial goods and wages since 1913:

	Farm Products	Manu- factured Goods	Rate of Wages
1913	100.0	100.0	100.0
1914	110.8	101.3	101.3
1915	124.3	109.7	102.2
1916	143.3	130.5	109.5
1917	207.5	175.3	125.6
1918	211.9	197.0	147.2
1919	233.1	203.9	173.4
1920	258.8	241.5	207.7
1921	164.8	179.2	189.9
1922	138.5	155.0	180.2
1923	127.6	159.1	184.2
1924	139.1	157.3	186.4
1925	160.5	160.2	185.1
1926	169.6	154.3	186.3
1927	162.2	148.9	190.4
1928	158.4	146.6	192.2
1929	158.8	143.5	196.0
1930	127.7	134.7	197.1
1931	86.1	115.4	189.1
1932	75.1	107.7	177.7
1933	79.8	108.3	168.3
1934	92.6	113.3	170.5
1935	105.0 (Dec.)	112.3 (Dec.)	175.4

An analysis of these figures shows, that Canadian industry, in the face of enormously increased taxation, was compelled to drastically reduce prices, in a frantic endeavour to arrest the downward course of sales and production, and to avert a calamitous unemployment situation. Apart from obviously unavoidable reduction in employment, labour representing the largest factor in production costs made little contribution towards this important objective. Reduction in money wages for the most part was less than the reduction in the cost of living so that it may be said that reduction in (money) wages was more apparent than real. Price reduc-

tions were absorbed in other directions, such as profits and general overhead expenses.

It should, however, be clearly understood, that whereas industry in the aggregate evidently made a highly commendable effort to meet the new situation, it was distinctly spasmodic and individual. Many important industries succeeded in rigidly maintaining high prices — and still do — while the others contributed towards the average lower level in widely varying degrees. There was a deplorable absence of organized cohesive action, based on an intelligent conception of the general economic drift. It was a case of following the lines of least resistance towards survival of each individual enterprise.

The situation in Canada resulting from the present lop-sided economy is simply this: Compared with pre-war — which was very far removed from one's conception of an agricultural paradise — the purchasing power of the farmer's dollar, *in terms of the articles he has to purchase*, had shrunk approximately twenty-five per cent early in 1936. Canada's central problem is to rationalize this glaring maladjustment between the purchasing power of the wage-earner and that of farm products, so as to restore, or at least partly restore, *that normal economic balance so absolutely essential to increased industrial production and employment*.

THE POST-WAR RECORD.

When prices were rising during and after the war, labour made demand after demand for increases in wages. Broadly speaking, the then situation warranted many of these demands. Employers — also broadly speaking — were complaisant and raised few objections as long as they were able to absorb the increased labour costs in the rapidly mounting selling price. The consumer was prosperous and stood for it. It was generally fair that he should. But now we have definitely gone into reverse. Food prices deflated spectacularly for nearly five years, but little or no concerted attempt has been made by industry to restore the equilibrium between wages and the cost of

living. As a result, Canada's agriculture — her greatest body of consumers — has been sold into virtual economic slavery. *For this social crime we are now paying the price, as we richly deserve to do.*

The early organization of labour to secure economic justice was fully warranted and greatly needed. But, with the gradual realization of the enormous power of this militant instrument, its subsequent abuse in the exploitation of other classes, through the menace of internal warfare, cannot easily be condoned. It is, nevertheless, human nature that labour should seek the greatest possible advantages for its own class. Other occupational groups react to precisely the same motive. Victory in the economic battle goes to the best organized fighting groups, which is admittedly labour. This easy advantage over other classes makes it peculiarly essential for labour to intelligently study enlightened self-interest. Because there is, after all, a tardy and rough sort of economic justice meted out eventually in our social system. Group advantages are temporary only and are frequently purchased by the beneficiaries at much too high a price. The preferred position labour has finally gained for itself, is being paid for to-day in terms of unemployment and dire distress.

THE REAL WAGE.

More than one-quarter of our population derives its living from the wage pay-rolls. It is clear, that the purchasing power of this important group is of grave concern. It must, nevertheless, be recognized, that even so numerically important a class cannot receive an unduly large proportion of the income derived from production, without depriving the other three-quarters of purchasing power in terms of higher industrial prices. *It is, by the way, well to bear in mind, that the crisis arose when the industrial wage level was at its highest peak. That did not save the situation. There is, in fact, no salvation in high wages.*

Labour should realize, that there is no hardship in lower wages in a low price economy, and that its best interests lie in steady employment at a wage yielding a

satisfactory purchasing power. The mere money rate of wages in itself has no particular meaning. Salaries have already been ruthlessly reduced everywhere and in some industries wages have also been cut, in many cases perhaps too severely. But the employment situation facing our railways, and the general run of industries, controlled by powerful unions, clearly demands the rationalization of the wage item in operating and production costs in order to restore consumption and employment.

From the foregoing it would naturally follow, that the whole modern scheme of urban arbitrary, fixed wages and prices is a transparent, economic fallacy in agricultural export countries. The situation under which we are now suffering is solely in the hands of business, industry and labour. Consequently, we may expect no substantial improvement until the various factors in each line of production and distribution meet in conference and agree to the inevitable with whatever temporary sacrifices may be involved.

It should be abundantly clear, that export agriculture, subject to highly flexible world prices, cannot function successfully against inflexible urban prices. We must have at least a semblance of elasticity all around, and with half of our population living in the countryside, it follows that the fortunes of that predominating occupational group is the absolute determining factor in national prosperity. There can be no possible profit to labour, to industry or to business in a state of idleness. So why not start the wheels turning again on the best conditions the consumer is, for the moment, able to offer, before our host of unemployed becomes psychologically disabled? Intelligent anticipation is always sagacious policy.

EXPERT OPINIONS.

In the absence of a very substantial increase in all agricultural prices, of which there is no indication whatever at present, there is no other solution for Canada's unemployment problem, outside the realm of miracles, than price deflation. The recent voluminous and painstaking report of the "Brooking Institution" of Washington, based on several years of intensive re-

search into the causes of the depression in the United States, comes to precisely that significant conclusion. In fact, no other is possible to the rational mind. Dr. Moulton, President of that body, condenses the result of this epochal investigation in this brief observation:

"The broad highway along which economic progress must be sought is the avenue of price reductions. When this road is followed, the benefits of technological improvements are automatically conferred upon all divisions of the population. Maximum expansion of purchasing power is secured and economic equilibrium is maintained."

Commenting on this Walter Lippmann says:

"... as this study, and many others, have shown, for at least fifty years there has been an ever-increasing effort by businessmen, labour leaders, and political regulators to fix prices and wages above the point at which supply and demand come together.

"The result is often highly profitable to concerns or groups of wage earners who happen to be strategically placed. But the cost is heavy. It is to be seen in unutilized plant, in unemployment, in unsalable surpluses, above all in the retardation of the feasible rate of economic progress toward a higher standard of living. The productive powers of the nation, its labour and its machinery, are checked and clogged because at the price demanded for goods and services the supply cannot be sold. Only by making the price of the supply equal to the purchasing-power demand can the productive powers be fully utilized.

"If this idea could find full acceptance by the American people, their sufferings in this depression would not have been wholly in vain."

Myron C. Taylor, Chairman of the "U. S. Steel Corporation," expresses the following opinion on the subject:

"The two great divisions of our economy are agriculture and industry, and if they can freely exchange their products in a mutually remunerative fashion there should probably result sufficient work for every man in this country. True it is that in the great play of economic forces, involving many factors which are beyond human control, inequalities will appear at times in the proper basis of exchange of the commodities of industry and those of agriculture. Of course, it is our duty as citizens to limit, to control, to prevent if possible, the hardships which as a consequence have from time to time in the past, and will in the future, in my opinion, be found to exist. In between these two groups, representing agriculture and industry, is the numerically larger group of those who render services. Their prosperity depends almost wholly upon the condition in which agriculture and industry find themselves, for in no way can one class permanently profit at the expense of the others."

Labour leaders should seriously consider the sane advice tendered by the able economist of the "National City Bank" of New York some time ago:

"Business consists of exchanging services, and there is no limit upon the volume but in present capacity of production and the readiness of the people to agree upon terms of the exchanges. The secret of prosperity is in balanced relations — value for value in exchanges of different kinds. *Balance, not force or authority, governs in economic relations.*

"To sum up: If any one desires to live an independent life, there still are remote places where he can have it, in the enjoyment of only such 'desirable things' as he can win from nature with his own hands; but if he wants to live in organized society, with the services of railroads, automobiles, electricity, printing, mechanized equipment, specialized skill, medical and surgical science — or to enjoy other advantages and benefits of modern life — *he must join the organization that provides them, and conform to the conditions that necessarily apply.*

The all-important condition is co-operation in the maintenance of orderly exchanges."

THE TARDY NATURAL READJUSTMENTS.

It is true, that inexorable pressure is very slowly correcting some of the present desperate economic maladjustments. But history shows, that it may take decades to bring necessary relief by so-called natural processes. It is, I think, a fair question, whether public tolerance and patience are sufficiently powerful to preserve our institutions intact during a further decade of painful readjustment. The way towards gradually improving economic relationship seems clear. Is it wise for industry, labour and business to run the risks of a *laissez faire* attitude?

My main reason for stressing the subject is this: Canada needs a substantially larger population most urgently, *but we cannot successfully absorb any considerable additional population without adequate preparation.* The minimum requirements consistent with renewing our invitation to overseas people to make homes amongst us is a clear realization of mutual interest and a recognition of our responsibility to the State. That implies a determination to at least make a start towards "putting our house in order." Public opinion, rightly or wrongly, would not see the wisdom of a vigorous immigration policy under the present conditions of stress.

I have the utmost confidence in the integrity and genius of our business execu-

tives and in the good sense of the great majority of wage-earners. The issue must be approached sympathetically and with diplomacy. Employer and employed are the sole principals in the situation. Between them they can — if they will — remove the present curse of abnormal unemployment. The intervention of governments would be utterly fatal. The question also arises, how long we can continue to subsidize the idle worker *for not working*. There are indications, that we have, here and there, reached the limit in that suicidal course. Labour should cultivate the realistic view.

THE ALLEGED TECHNOLOGICAL MENACE.

We will now turn our attention to the second main objection of labour to immigration, namely, the alleged menace to employment of mechanical invention. In and out of season, labour leaders have stressed the danger inherent in an increasing population owing to the progressive technological displacement of labour. There is, of course, no rational argument whatever in economics or common sense which would indicate why the introduction of labour-saving appliances, at any time and in any enterprise, should, in a dynamic society, whose wants have never been more than remotely satisfied, lead to idle labour. The suggestion is absurd on the face of it.

A moment's reflection should show, that when the labour cost in any line of production is reduced by mechanization, the saving is either given to the consumer in terms of lower prices or to the owners of the industry in terms of higher profits or to labour in higher wages. In any case, the amount of spending power involved is merely transferred from labour to the consumer, or to the industrial owner, or to both. *It is still available for expenditure on other goods and for the creation of the same volume of employment elsewhere.* There is no social loss. Under normal conditions, therefore, mechanically displaced labour would always be readily absorbed in other occupations.

But, fortunately, it is quite unnecessary to depend upon academic argument to

demonstrate, that the theory of the permanent technological displacement of labour is quite untenable, and that an increase in population need not, therefore, be discouraged on that account. Happily, there are now authentic statistics available to prove (1) that mechanization actually increases per capita employment, and (2) that mechanization also substantially increases the per capita income of labour.

THE STATISTICAL PROOF.

The "Machinery and Allied Products Institute" of Chicago recently analysed this situation and found that between the Census years 1920 and 1930 nineteen principal mechanized industries in the United States showed a decline of 807,000 jobs. *During the same period nineteen principal growing occupations added almost three new workers for each one displaced in the nineteen declining ones!*

Automobile manufacturing in the United States offers one of the best examples of technological advancement, and here employment throughout 1935 averaged 109 per cent of the 1923 to 1925 average. It has been estimated that 11,000,000 persons owe their present employment to the automobile industry. Jobs for this steadily increasing throng of workers can be credited directly to technological advancement.

Following is a table showing the direct relationship of employment to production during the last seven years:

Index Numbers of Production and Employment
In Manufacturing Industries in the United
States, 1929-1936.

Sources: Bureau of Labour Statistics
Federal Reserve Board 1929-1935.

Year.	Total Manufacturing Production.	Employ- ment.
1929	100	100
1930	80	88
1931	67	73
1932	53	61
1933	64	66
1934	66	75
1935	76	78

This table shows that during no year since the depression began has production risen to a higher percentage of the 1929 level than employment. Throughout the Machine Age there has been a tendency

for production to rise along with the improved standard of living, and the rise has been accompanied by increased employment.

MACHINERY RAISES WORKERS' INCOMES.

Volume of production is a factor of as great importance in determining wages and salaries as it is in determining employment opportunities. Where machinery enables workmen to step up their output, wages almost automatically rise. In 1900 each worker in the United States added \$1.025 to the value of raw material and received a wage of \$426. In 1909 he added \$1.289 and his wage was \$518. In 1919, through largely increased mechanization, he added \$2.757 to raw material values and his wage had jumped to \$1.162. *Between 1909 and 1927 wages and salaries south of the line rose so much in relation to prices of goods that the combined income of all wage and salary earners would buy almost twice as many goods in the latter year as in the former.* Employees in the United States received 53 per cent of the national income in 1900; 56 per cent in 1910; 63 per cent in 1920; and 65 per cent in 1929. By 1934 the share which labour received had risen to 67 per cent. This is the proud record of the era of the greatest technological advances in human history. And there is no answer to it. It might, of course, be successfully argued, that it would have been in labour's own interest, if these substantial advances in wage income had been shared with the consuming public in terms of lower prices of the products, so as to still further increase consumption and employment.

The foregoing, I think, makes an absolutely clear case against the popular superstition of the permanent technological displacement of labour and the necessity, in the public interest, of formulating immigration policy based on the progressive elimination of hand-labour. On the contrary, the conclusion is inevitable, that *the greatest tragedy of unemployment is the criminal waste of priceless man-power, urgently needed at all times, to contribute to that higher standard of living of all classes, easily within the reach of present-day civilization.*

THE FARMER'S ATTITUDE ON COLONIZATION

Farmers are just now staunch opponents of further agricultural development, and, superficially, for the best reasons. The farmer has in recent years witnessed surplus production in several major branches of his calling, with highly distressing consequences to prices. Notwithstanding all the hair splitting arguments as to whether the world is suffering from "over-production" or "under-consumption," the painful fact remains that Canada, for the time being, is unable to dispose of some of her major export food products at decent prices. There can be no dispute on that point. We face a condition and not a mere theory.

We cannot regard the immigration question as a single and unrelated issue. We must prepare the way for the success of the people we invite to our shores, while protecting the interests of those already in occupation. In view of the gradual reduction of international trade to a near-barter basis, it is evident, that Canada must bestir herself to find outlets for the surplus of raw products in the only manner now possible, namely, in exchange for other commodities. That may occasionally involve the sacrifice of vested interests, but Canada must, sooner or later, become reconciled to making any needed concession to her agriculture in the general public interest. This—or any other—agrarian nation cannot function satisfactorily with a decadent country-side.

THE WHEAT SITUATION.

When the farmer complains of obstacles to the free marketing of export products, he thinks almost exclusively in terms of wheat. That he has had a substantial grievance in that respect is beyond argument. The recent unprecedented drouth in North America — from which the Canadian farmer has suffered prodigiously—has, at least temporarily, relieved the situation and cleared the market of price demoralizing surpluses. But with the increasing production of wheat in import

countries, he naturally fears, that a return to normal seasons might recreate this problem, possibly in intensified form.

It is difficult to theorize on this subject. The enormous increase in world wheat area was undoubtedly caused by war prices. That era lies definitely behind us. The same may, therefore, fairly be said of the era of expansion of wheat area. Statistics would tend to support that point. In spite of a considerably augmented consuming population, the increase in world wheat production (ex Russia and China) between 1930 and 1935 was only 300 million bushels. During the past six years production was half a billion bushels below world consumption. It is now estimated that, if even the present reduced per capita consumption is maintained, in the absence of abnormally large yields in the Southern Hemisphere, the world may finish the present crop year ending next July, with the hitherto large carry-over fairly absorbed. This would be an unprecedented situation. It might, therefore, reasonably be inferred that we have passed the peak of our wheat problem.

But, be that as it may, Canada cannot afford to substantially increase her wheat area through additional colonization for the time being. New settlement would, if necessary, have to be restricted as to wheat area, pending the attainment of a reasonable balance between world supply and demand. This would not be difficult. If colonization were largely confined to the northern park areas, there would perhaps not be much danger of undue expansion of wheat production.

THE ECONOMICS OF WHEAT PRODUCTION.

Furthermore, necessity will presently demand a more rational utilization of our developed wheat area. It has been fairly demonstrated that continuous wheat cropping is not feasible and that some sort of a simple rotation system must in the near future be adopted to get humus back into the soil. This would largely diminish the normal wheat area. We should not ignore the historical record of exhaustion of the wheat lands of North America.

But it seems utterly senseless for the majority of Western farmers to cast their fortunes in with, more or less, exclusive export wheat production in competition with peon labour in the Argentine and peasant labour in Europe. Aside from brief war periods every quarter century or so, world prices of wheat are based on a most wretched standard of living for the export producer. It would be almost tantamount to selling ourselves into perpetual bondage. Is there, in fact, to be found, within the entire range of world economy, equivalent examples of ruthless exploitation and of "sweated" humanity on so colossal a scale as in the production of man's bread grains?

May I, in all seriousness, ask what particular virtue may be attached to selling to Europe vast quantities of the world's most essential commodity at prices which generally do not yield Canadian growers even the bare cost of production, leave alone compensation for the depletion of soil fertility. We have not even the satisfaction of contributing towards a cheaper loaf for the hungry masses, because the various European governments promptly exact a fantastic import duty upon our cheap wheat, thus forcing our near-bankrupt producers to contribute indirectly towards "bigger and better" armaments in many countries.

The spectacular increase of wheat acreage in our West since the Great War was neither a healthy, a natural, nor a sound, normal development. It was a manifestation of exploitative agriculture in its virulent form. It led to the destruction of valuable grazing lands in districts utterly unfit for cereal production. The succeeding years of drouth added further destruction through extensive wind erosion. Erosion has completely destroyed a hundred million acres of arable lands in the United States. In Canada we face precisely the same problems, and it is time we recognized that pregnant fact. Incidentally, a serious educational soil conservation campaign would assist greatly in restricting our wheat area to probable market opportunities.

SOIL EXPLOITATION.

Exploitation of the land has not, however, been confined to new countries. During the past half century, agricultural prices have been uniformly below cost of production in Europe with the inevitable consequence that the land has suffered, as is always the case. The farmer's plight has been like that of a mining enterprise, able to carry on and operate, but, owing to uneconomic prices for its product, totally unable to provide for the depletion of its natural resource. The day of reckoning is fast approaching. *The present unnatural drift into cereal production in Europe will vastly hasten the day of diminishing returns there, and the slow and painful process of soil rehabilitation.* It is also reasonably certain that any increased output of food crops due to scientific progress, will be fully cancelled by the greater demands on the land for various industrial raw materials, now the subject of intensive investigation.

For these reasons, well-informed agricultural economists hold the opinion strongly, that the world will in the not distant future face a lengthy period of food scarcity, which will lead to substantially higher agricultural prices followed by a restoration of land values and a return of agrarian prosperity. It may also compel a lower urban standard of living. This apparently is the price society must presently pay for having consigned agriculture, embracing two-thirds of world population, to half a century of unremunerative returns. So taking the long range view of the world food situation, there seems to be no adequate foundation for the pessimistic attitude in respect to markets and prices, nor any economic obstacle to gradually increasing the rural population of overseas, food export countries. *All the food the world can provide is presently going to be fully absorbed at living prices to the producer.*

THE PRICE OF SELF-SUFFICIENCY.

The intense development of economic nationalism — now the leading political principle in practically all European import countries, has naturally necessitated

a very painstaking inventory there of natural resources and a careful survey of domestic production and consumption on the basis of which forward-looking public policies have been formulated. Needless to say, agricultural activities in Europe have been rigidly planned — or as some would say, “regimented” — and imports severely regulated. There are, however, forces at work there highly antagonistic to the present extreme nationalistic attitude in respect to food imports, the first effect of which is to increase prices to an extent which seriously reduces the urban standard of living.

The health organization of the League of Nations has studied the subject and the representatives of fifty nations recently devoted three days to discussing the problem. In analyzing the British investigation, Sir John Orr, an eminent authority on nutrition, came to the startling conclusion *that there are probably in Great Britain no less than twenty million people, or almost half of the population, living on a diet which must be considered below a level adequate for normal health and normal resistance to disease.*

The following illuminating statistics showing the relation of income rate to death rate, published in a recent book, “Poverty and Public Health,” have created a sensation:

Income rate per Week.		Death rate per 1,000.
\$ 6.25.....	\$ 8.75	25.96
8.75.....	11.25	19.34
11.25.....	13.75	19.23
13.75.....	16.25	15.13
16.25.....	18.75	13.51
18.75 up		11.52

It is unthinkable, that the present exclusion policy in respect to essential food stuffs of Western Europe should not be substantially liberalized within very few years.

EXPORT VS. DOMESTIC MARKETS.

I cannot sufficiently emphasize the insecurity of export markets for agricultural products, even in normal times, dependent as they are upon the whims of importing nations, who have the power at any time

to completely disorganize production in countries from which they draw food and other supplies. In recent years we have seen the agriculture of great continents brought to the verge of total collapse through import restrictions in European countries. *There is only one remedy and that is to create an adequate domestic market.* This can be done only by further industrial development and employment, which would be facilitated by a larger agricultural occupation. Even now the domestic market in Canada normally absorbs practically all animal husbandry products, except a comparatively small surplus of dairy, beef and hog products. An additional urban consuming population would aid agriculture in Canada enormously.

Canada must follow the lead of other nations and cultivate a degree of economic nationalism and endeavour, as best she can, to create a wider market at home for her agriculture and industries. Her present abject dependence on overseas markets places her in a highly insecure and vulnerable position. Her economic problem is vastly more difficult than that of her great neighbour to the south. She will need to elaborate a comprehensive development programme for herself, which will test the mettle of her most experienced, far-sighted and patriotic statesmen.

History shows that *animal husbandry is the only branch of agriculture yielding the farmer a decent standard of living.* There, of course, we are again confronted with the market situation, but in a very much modified degree. Wheat production is essentially an "industrial" enterprise. With existing machinery it can be expanded indefinitely. Not so with animal husbandry, which cannot be successfully undertaken on the grand scale.

RATIONAL DOMESTIC PRICES.

Having in view the meticulous care with which practically all other countries wisely safeguard domestic agricultural prices, and having regard further to the highly protected wages and commodity price levels in Canada, not to mention the host of other price maintaining organizations within our urban economy — one

finds it hard to reconcile all this with the callous indifference we exhibit in Canada towards our domestic price level of animal products. It is reasonably obvious, that if we aspire to develop a prosperous countryside and to attract a larger rural population, we must revise our views on this subject. We cannot safely act as if Canada possessed a God-given license to completely ignore the economic welfare of her agriculture, in the face of the strenuous efforts of every other nation to stimulate the prosperity of its basic industry by the most drastic measures and largely at the expense of other classes.

We apparently subscribe to the highly extraordinary price theory, that the mere accident of a two or three per cent surplus of production at any time must at once automatically reduce domestic prices to those prevailing in the distant European export market, less the cost of transportation. *The highly protected Canadian urban consumer, consequently, is the happy recipient of an additional gratuity in terms of a low food cost — frequently below the actual cost of production — at the direct expense of the harrassed farmer.* In other export countries, such a ridiculous and destructive situation is carefully guarded against by various effective, and comparatively simple, means, so that domestic food prices may be permitted to freely find their natural level. These are elementary issues, which should only need to be stated to be remedied.

The population question, also has an intimate bearing on industrial development and efficiency in industry. Mass production is the essential element in successful, modern industry. It is the goal towards which Canadian policy, under both political parties, has been consistently directed ever since confederation. Following the war every country under the sun, including even Great Britain, has adopted a protective system with the sole aim of promoting within its boundaries mass-production in order to ensure low-cost manufacturing. Canadian agriculture will continue to suffer by reason of inflated commodity prices, leading to higher production costs, until her general consuming

population reaches a point where industries can function more efficiently and are able to reduce commodity prices; resulting in a lower cost of farm operation and living all around.

IMMIGRATION AND LAND VALUES.

There was no post-war, rural land "boom" in Canada. On the contrary, we have for nearly two decades been confronted with the demoralizing spectacle of steadily receding rural land values. This was the outcome of a combination of circumstances, but has been chiefly due to the cessation of immigration. It is a well-known fact *that land and rental values drop two or three times faster than population*. There is a valuable lesson in that thought. Land values to-day, east and west, are at very low ebb, and many farmers have thus seen their chief asset shrink to such an extent, that substantial equities have in some instances totally disappeared. This condition we may safely regard as the chief cause of the present agricultural unrest.

Land represents the principal borrowing asset of the farmer. Stable land values lie at the foundation of rural credit in practically all its forms. When land values become demoralized the whole agricultural credit structure is undermined and interest rates advance. In fact, it may be laid down as an economic axiom, that a prosperous agriculture and a contented rural population are not within the possibilities with receding and unstable land values. The demoralizing effect in itself upon the farmer of the progressive shrinkage of his chief capital asset is bound to exercise a most unfortunate influence upon his state of mind and economic behaviour.

The farmer has the keenest possible interest in re-creating a normal market for rural properties. A comparatively limited demand for land would quickly be reflected in strengthened values all around and the moral effect would be electrical. Urban business would automatically benefit through such a restoration of agricultural confidence. It would mean the stabilization of the value of the farmer's working asset, again placing his industry on a sol-

vent basis, improving his social and economic conditions and lightening the burden of taxation. *A revival of immigration would quickly re-establish a healthy demand for rural properties.*

No one, of course, suggests the immediate resumption of large scale colonization, even if such were possible, which definitely it is not. Time is necessary to effect arrangements to settle any considerable number of people on the land. Furthermore, several years would pass before these people would become a factor in our aggregate production. In view of the preceding arguments, is it not reasonable to suppose, that long before we reach that point, our market difficulties will have completely vanished? If that is conceded, the sole objection of agriculture to further colonization would have been removed and the countryside would, on the other hand, participate in the very substantial advantages which would accrue from a vigorous immigration policy for Canada.

COLONIZATION POLICIES

I shall only refer briefly to the subject of concrete colonization policies, which obviously requires the most careful and painstaking investigation and, above all, a patient study of past experience. At the moment, a detailed examination of the subject would be premature. It will not become practical politics until a majority of the people decide that Canada shall again embark upon active colonization efforts, continuing the job suspended by the Great War. I am in hopes that these pages may enable many to come to that decision.

It has been my privilege during the past half century to come into intimate contact with a great many public and corporation ventures, incidentally, to risk my own money on such enterprises and to be a highly interested observer of the efforts of others. A few general observations on the subject may, therefore, be useful. At the outset, we must recognize that, by and large, the heroic age of pioneering disappeared some years ago. While there are still nations in Europe, accustomed to a somewhat low standard of living, willing to face the hardships of the sod cabin and the primitive life on the homestead, *they are definitely outside the orbit of nations from whom Canada in the immediate past signified her willingness to accept settlers* — a decision which I shall not attempt to criticize.

The situation that faces us, then, is that the people we might welcome would require substantial assistance and guidance in settlement. However anxious I am to avoid sounding the pessimistic note, no student of the past record of assisted colonization, such, for instance, as the Soldier settlement venture, can conscientiously ignore the tragic lesson of past experience. At the same time, I freely admit that I can find no reason in common sense or sound business practice why assisted colonization should not be eminently successful. But the actual record is nevertheless very disappointing *and the reason is perhaps mainly psychological.*

THE PSYCHOLOGICAL FACTOR.

The most completely successful venture in assisted immigration which comes to my mind is the Mennonite Settlement in Southern Manitoba during 1874 to '79. These people were the first white settlers to occupy the open prairies. They borrowed \$100,000 from the Federal Government and, with this capital, homesteaded. Patents to the land were withheld until this amount was liquidated with 6% interest, which was afterwards reduced to 5%. The indebtedness was faithfully repaid in full, with interest, within four to six years. These, however, were small peasants from Russia and used to the pioneering standard of living. They prospered exceedingly and the venture may be regarded as a complete success.

The rigid direction of any large influx of people into a new country is a difficult task. A high degree of paternalism in colonization is almost certain to sap the supposed beneficiaries of individual initiative. This experience has demonstrated time and again and at tremendous cost to everyone concerned, including the settler himself. The truth is, that a few successive, unfavourable seasons may utterly destroy the most carefully planned, financed and administered colonization project. The destruction of settler-morale becomes complete and it can seldom be re-established. *Self-reliance is by far the most important asset of the colonist. The ability and desire to lean on others is the most fruitful source of failure.* To draw the line between the state, or some corporate organization, assuming almost full responsibility for the fortunes of a settler and a scheme of reasonable assistance to make a start, followed, if necessary, by the helping hand, *extended almost stealthily and at the critical moment only*, would tax human ingenuity to the utmost. So far it has not been successfully done.

Nevertheless, assisted colonization, with all that is implied, is clearly the only course Canada can pursue. In spite of a long record of failures and near-failures, in spite of all the obstacles in the way of success, we have no alternative. Assisted colonization it must be for many good and

sufficient reasons, the most conclusive of which is, that there is no other class of colonists, at present acceptable to Canada, available to-day. We must pin our faith to pooling our best and most experienced minds to study the causes of past failures and to devise plans which will eliminate as far as practicable the weak futures of past performances. We must then be prepared for a considerable proportion of unsuccessful colonists, steel ourselves against the usual crop of "hard luck" stories, and to deal promptly, and as painlessly as possible, with the obvious misfits.

THE PROBLEM OF LAND TENURE.

It is not, of course, for a moment to be concluded, that assisted group colonization *must necessarily fail*, while individual settlement of land *must generally succeed*. Enormous areas in the West have been fairly successfully colonized by this method, such as the Scotch Crofter settlements in Eastern Saskatchewan; the Icelandic colonies of Northern Manitoba, and the various Mennonite, Hutterite, Dukhobour and Galician settlements elsewhere. On the other hand, individual settlers have failed by tens of thousands even in our most favourable districts. Colonization in any form is at best surrounded with high risks and a large proportion of failure. In that, of course, it differs not at all from the record of business enterprises. There is no reason why it should. The deciding factor is the human element, which the most careful planning and administration cannot always control. The most that can be said is, that the individual pioneer is more likely to succeed, simply because he must depend solely upon his own exertions, than the assisted settler who is automatically deprived of this useful spur to personal initiative and ultimate success.

According to my observation, the most fruitful source of failure is the inability of the promoters to fully comprehend their problem. They grossly overestimate the net profits in farming, which at best are very modest indeed, and, in the early stages of occupation, almost microscopic. The colonist is loaded up with a large capital indebtedness at a comparatively

high rate of interest. This is frequently the result of providing unnecessarily expensive equipment, housing and other facilities. One or two unfavourable seasons, with interest piling up, is sufficient to end the adventure. He leaves the farm disillusioned and drifts to the town.

This suggests a very careful consideration as to the wisdom of direct sale to new settlers of lands and buildings. Whether some form of "rental-purchase" is not in most cases preferable in the beginning. There are scores of systems of land tenure which have for centuries operated successfully in different parts of the world. It should be possible to draft a scheme which would give the new settler an option to purchase, reasonable protection against unjust eviction, fair compensation for useful improvements made and, at the same time, remove the terrific handicap of a large interest-bearing liability, which is the rock upon which most unsuccessful colonization enterprises have stranded.

Of course, with a definite money investment, the burden involved must obviously be carried either by the settler or by the colonization agency. If the latter, from compassionate motives, assumes it in the early stages, thus sharing the risk of unfavourable seasons with the occupier, we at once enter the field of philanthropy. *It is, however, at the moment, a grave question in my mind, whether large scale colonization can be brought to a successful issue on a strictly business-basis. It is, I fear, a task to be performed by governments, transportation companies or other bodies, having a much greater interest in colonization, as such, than in the immediate commercial aspect of such ventures.*

COLONIZING THE UNEMPLOYED.

I merely point out these facts to indicate the serious obstacles to assisted colonization. It is not a task to be lightly undertaken. The problems that will be encountered in carrying out such a policy intelligently, are many and grave. They will require the closest investigation of competent and experienced minds, possibly for several years, before active efforts can

safely be well under way. Assuredly, the indifferent success of our past performances, indicates clearly that a closer study of the subject is desirable.

The tearing up by the roots of numbers of families in their native haunts and starting them out on a great adventure in a strange country involves a very serious responsibility. It involves a change in human lives and fortunes, leading too often to appalling consequences for the individual. Even under the soundest administration and most carefully considered plans, the proportion of failures is bound to be large and frequently through little or no fault of the settler himself. Systematic, large-scale colonization is a social enterprise demanding the best brains and experience Canada has available.

The plausible suggestion, that before outsiders are invited to occupy our vacant farm lands, an opportunity should be given to unemployed now in Canada to establish rural homes, is not necessarily to be taken at face value. Those now on relief in our towns are there largely by choice. Many of them left the countryside for the "bright lights." Few of those would wish to return to the isolation, drudgery, long hours and low remuneration of the farm. They would do so under stress, but temporarily only. Those born and raised under the easy conditions of Canadian urban life, would not stand up very long to the primitive and rugged living conditions on the farm.

There would, of course, be exceptions — many of them — but, by and large, such colonization on the grand scale would not be successful or permanent and would, moreover, be entirely unnecessary under a fairly balanced economy. Western farmers need anticipate no competition from any considerable urban exodus to the "free and open spaces." This view is, by the way, in no sense to be taken as a reflection on our urban population. They may fit in admirably where they are, but would, in the majority of cases, be tragic misfits in the countryside.

MINIMUM-AREA FARMING.

One of the most pressing problems of North America to-day is to facilitate small-area farming in forms suitable to the various sections of the continent. *Such an occupation of the land would increase population without any serious increase in food exports.* The standard agriculture of all new countries is a specialized, export enterprise. That type of farming has apparently reached a temporary limit. *Farming is first and foremost a way of living, only in a secondary sense a business.* It is not, by any means, essential that every Canadian farmer should produce so many thousand bushels of wheat or so many hundreds of hogs for export. His main pre-occupation is to supply himself and his family with the necessities of living and have something over to sell in order to purchase the commodities he himself cannot produce and to pay the small tax on a limited area of land.

This would not prove an attractive proposition to the majority of farmers now in occupation and operating larger areas, but the fact remains that millions of families inhabiting the peasant lands which lie eastward of Vienna — that frontier city which separates the industrial West from the agricultural East in Europe — occupying the limitless farm lands stretching from Vienna's gates to the Black Sea, the Bosphorus and the Urals, *in fact, the great majority of farm families the world over, are functioning just in that way, and have done so for generations, and are, moreover, quite happy in doing so.* Also that thousands of them would be prepared to come to Canada and "carry on" in approximately the same manner.

The very idea of peasant cultivation has always been resented in North America. One wonders why. In Europe they take a very different view of this useful citizen. A great statesman there recently said: "We need great peasants rather than great heroes." A peasant in Europe is merely a farmer cultivating from 5 to 12 acres of land, who is largely self-sustaining. It is highly desirable that all our farmers should not follow the wholesale style of ex-

port farming and it is difficult to see why any opprobrium should be attached to the hard-working man who elects to support his family in that particular way. In Europe he is the backbone of agriculture and everything points to the conclusion, that, as time goes by, the same situation must gradually arise, perhaps only to a comparatively limited extent, on this side of the Atlantic, whether we resent such a development or not. Economic forces will assuredly bring it about ultimately.

Canada's limited experiment in colonizing that class of settlers has, on the whole, been eminently satisfactory. The reason for this is, that these people reach our shores fully familiar with the climatic limitations and agricultural problems of our prairie section, which closely resemble those of the plains of Eastern Europe. The dreadful agricultural slump which followed 1930, has now reduced millions of these virile people to the most primitive conditions. It has set back the clock of progress there for half a century. Canada would do well to reconsider her present attitude towards that type of useful colonist.

IRRIGATED LANDS.

This class of East-European settler would, under skilled direction, be especially suitable in the colonization of our large areas of irrigated and highly productive lands in Alberta. This system of farming is only feasible on very small areas and involves the most meticulous care in handling the water. It is essentially a problem in painstaking detail. The average Anglo-Saxon is temperamentally totally unfitted for that sort of a task and, moreover, spurns the idea of confining his energies to a mere 10 to 20-acre farm.

These irrigated lands should be — and assuredly will be — the most productive and prosperous in Canada, but their future will be inextricably tied up with the development of complementary local industries, such as beet sugar, fruit and vegetable canning and the various branches of dairy processing, all deriving their raw material from the land. Such secondary industries might very profitably be subsidized until firmly established. They should

be induced to occupy the field long before an adequate volume of raw materials were forthcoming, so as to furnish a market in the formative stages of the settlement. The successful colonization of irrigated lands is impossible without them.

BRITISH SETTLEMENT.

Whether or not we open our gates to other nationalities, there is an immediate situation to be considered. Having in view the enormous cost Canada will ultimately face in again attracting immigration; having in mind the obstacles European governments will assuredly presently place in the way of the migration of their nationals; and considering that the British government is said to be just now in the mood to supply the people and also to supply a large share of the capital required to settle them and care for them overseas; taking all these facts into consideration, it seems to me, that failure to take the fullest and earliest advantage of this heaven-sent opportunity, can only be classified as mistaken public policy. Moreover, the aim of Canada always has been — and should be — to encourage by every possible means, the settlement of the highest practicable proportion of Britishers on her land.

It is difficult to see why there should be at any time the least opposition to any well-considered plan of settling desirable British agricultural settlers on Canadian lands. The opportunity to add this priceless "leaven" to the diminishing proportion of Anglo-Saxon population, with the valuable co-operation of the British government, seems to me so obviously desirable and in the public interest, that one wonders from whence altogether senseless opposition to this excellent plan arises.

THE OPPORTUNE MOMENT.

We will unquestionably face a difficult problem when the time comes to again promote immigration. The comparatively easy sources of supply of the pre-war period have dried up more or less completely. However, one fact, of enormous importance, stands out clearly. Land values all over Canada have been liquidated com-

paratively speaking, to the vanishing point. Building and supply costs are lower than they have been for years. Live stock values and interest rates are low. There never was a time when a large scale colonization could be undertaken with a greater promise of success and with smaller capital outlay. All the conditions are highly favourable for such enterprises and Canada will miss a golden opportunity if she fails to take the fullest possible advantage of the present propitious situation.

In closing, I cannot do better than reproduce the stirring remarks on our subject uttered by Sir Edward Beatty, President of the Canadian Pacific Railway, a couple of years ago. He said, in part:

"In the meantime, and having in mind the depth of the tribulation through which we, in common with the rest of the world, have been going, it is well to ask ourselves if it is not desirable that we should recall the fundamentals upon which our progress in past years was based. Allowing for all those ills and misadventures to which humanity is subject, is it not now time to again remind ourselves that the building up of the country agriculturally, industrially and commercially is an absolute condition precedent to its renewed prosperity?

"Of necessity, the growth of the Canada of the future will go hand in hand with the development of our natural resources. It is a heavy but glorious responsibility — to justify our heritage in the possession of a huge and geographically important area of the earth's surface; to make our contribution to the building of the great new northern nation — the keystone of the arch of the British Commonwealth of Nations."

